Social Media, Influencer, and Email Marketing

Fall 2025

CUHK MSc in Marketing
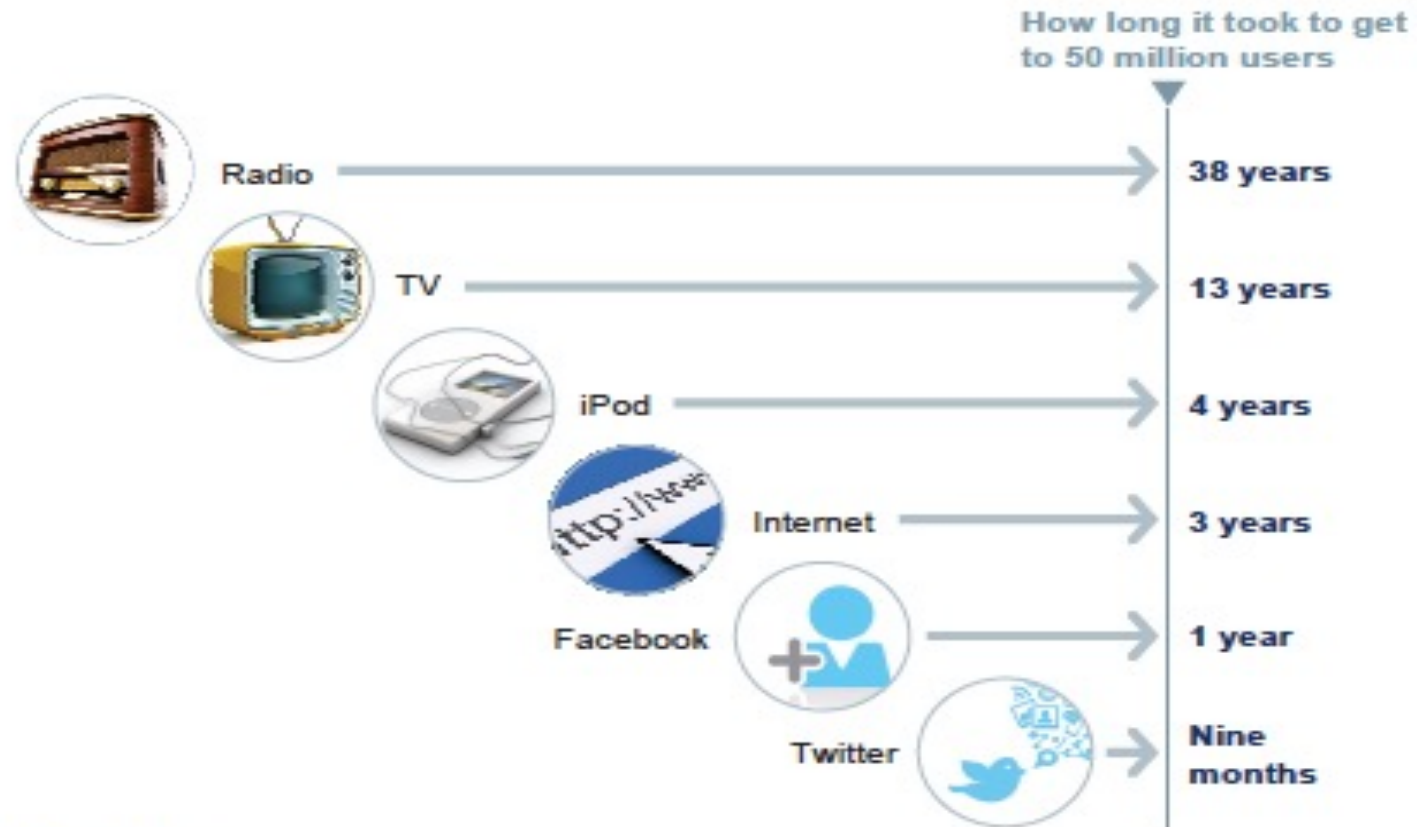
Introduction

a viral marketing advertising campaign to promote Pepsi Max:

https://peteratencio.com/portfolio/pepsi-max-test-drive

Growth potential

Social media have grown faster than any other media technology

How long it took to get to 50 million users

Radio	38 years
TV	13 years
iPod	4 years
Internet	3 years
Facebook	1 year
Twitter	Nine months

SOURCE: Press research

Top Social Networks

The average internet user spends 2.5 hours on social media platforms each day.

Rank	Platform name	Parent company	Country	Monthly active users, in millions
#1	Facebook	Meta	U.S.	2,910
#2	YouTube	Alphabet	U.S.	2,291
#3	WhatsApp	Meta	U.S.	2,000
#4	Messenger	Meta	U.S.	1,300
#5	Instagram	Meta	U.S.	1,287
#6	WeChat	Tencent	China	1,225
#7	Kuaishou	Kuaishou	China	1,000
#8	TikTok	Bytedance	China	1,000
#9	Telegram	Telegram	UAE	600
#10	Qzone	Tencent	China	600

Source: https://www.visualcapitalist.com/ranked-social-networks-worldwide-by-users/

Doesn't affect only sales, or promotion

Social media affect the entire value chain

Value chain step	Case example	Impact
Product development	Procter & Gamble	• R&D costs: -6% p.a.
Marketing	Old Spice	• Sales: +16% • Campaign costs: -80%
Sales	Ricardo.ch, Sellaround.net	• Transactions: +18,000 per month
Service	Example from telecommunications industry	• Resolved customer queries: +30%
External communication	McDonald's	• Stock price: +5%
Human resources	Allianz, Bertelsmann, Henkel, McKinsey & Company	• Reach: +20% • Cost: -27% • Quality: +36%
Internal applications	Mountain Equipment Co-op	• Efficiency gains: > 90%

SOURCE: Press research; corporate Web sites; McKinsey

Benefits to Marketers

Benefits of Social Media Marketing According to SMB Marketers Worldwide, Jan 2013

% of respondents

Benefit	%
Increased exposure	89%
Increased traffic	75%
Provided marketplace insight	69%
Developed loyal fans	65%
Generated leads	61%
Improved search rankings	58%
Grown business partnerships	54%
Reduced marketing expenses	47%
Improved sales	43%
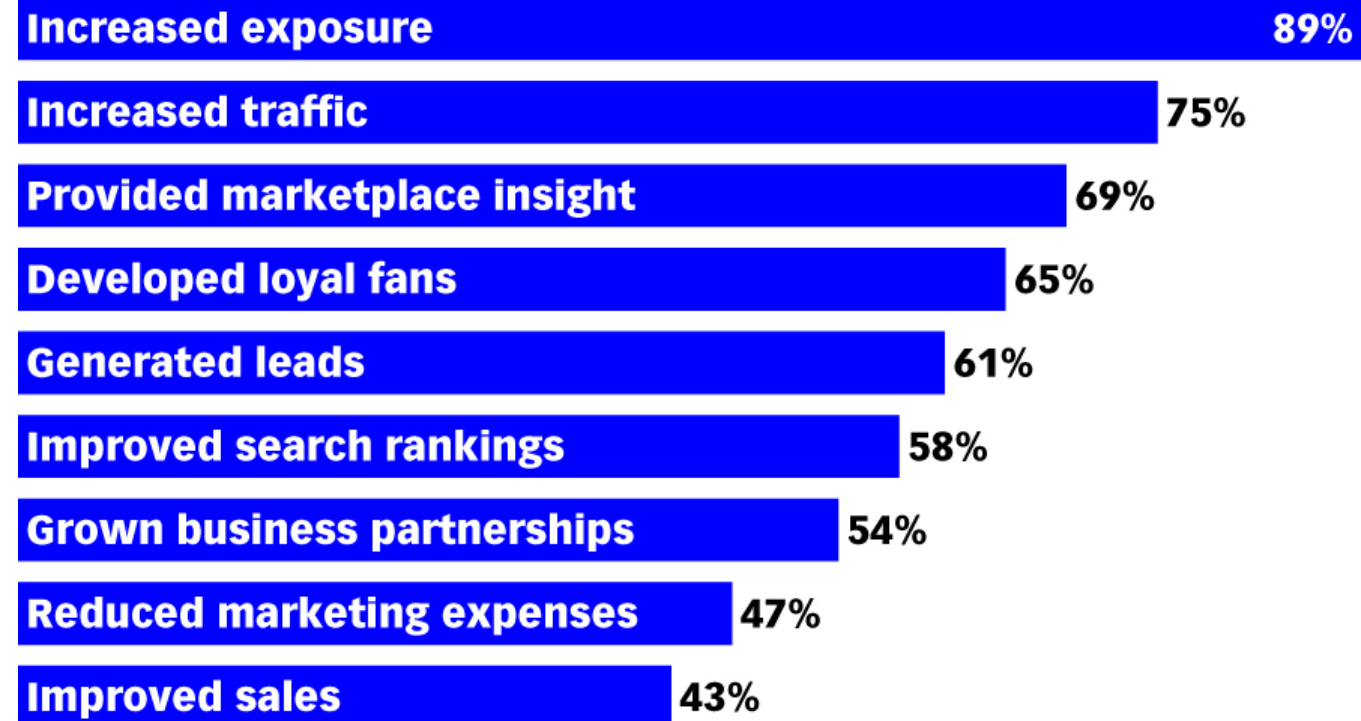
Source: Social Media Examiner, "2013 Social Media Marketing Industry Report," May 21, 2013

157746   www.**eMarketer**.com

Discussion

- Describe an instance when you interacted with a brand through social media.

- What were the benefits/advantages? Were there any downsides?

Benefits to Consumers

Attitudes Toward Interacting with Brands on Social Networks According to US Millennial Female Internet Users, Nov 2013

% of respondents

I follow brands on social media to learn about new deals/coupons

60%

I enjoy when brands interact with me online

41%

I find brands more accessible and trustworthy when engaging in social media compared with traditional advertising

38

I follow brands on social media because my friends are following those brands

20%

Note: ages 21-35 without children; top-2 box choices of "strongly agree" and "agree"
Source: Mom Central Consulting (MCC) survey; eMarketer calculations, June 18, 2014

176403

www.**eMarketer**.com

McKinsey Survey

○ "Social media / social communication" has been shown to improve sales and communication efficiency.

○ However, social media make consumers more empowered; this implies that they care about authenticity and privacy.

○ Most businesses agree that social media are "critical" but only 5% of companies are fully satisfied with their own efforts.

Metrics for Social Media

Metrics for Social Media

- According to you, what is the best metric for evaluating a social media campaign?

Metrics for Social Media

- Metrics related to exposure
  - Impressions and Views
  - Reach = What % of relevant population was exposed to content
  - Frequency = Among those reached, the average number of times an individual was exposed to content
  - Gross Ratings Points (GRP) = Reach * Frequency

- Metrics that measure engagement on posts
  - Likes
  - Shares
  - Clicks
  - Engagement rate (= (engagement metric)/Impressions)

- Metrics related to revenue and sales
  - Conversions and conversion rate
  - ROI on posts or spend

Metrics for Social Media

- Metrics related to user-generated content
  - Number of mentions in user-generated content (UGC)
  - Share of voice = (your brand mentions)/(total category mentions)
  - Distribution of sentiment or valence for user-generated content (UGC)

- Customer conversation-based metrics
  - Response rate (how many customer conversations you responded to or engaged in)
  - Average response time (how fast you respond when you respond in a conversation) → chatbots increasingly used

Social Media Takeaways (1)

- Unique as a two-way communication channel

- Social media use: Listening and influencing

- Organic and paid postings

- Firm activity should be relevant, engaging and (when possible/appropriate) personalized

Social Media Takeaways (2)

- Going viral is extremely rare—it cannot be your strategy

- However, still some reasonable level of sharing happens
    - Average <u>sharing rate of 20%</u>

- "Creator economy"—use creators to generate and disseminate content

- Social commerce and livestreaming getting popular

Influencer marketing

Influencer Marketing

Influencer marketing is a form of social media marketing involving **endorsements and sales pitches from influencers, who are individuals with a high degree of social influence.**

Some companies use celebrities as influencers as they have a <u>large reach</u>

- E.g., Ronaldo has over 600 million followers on Instagram and demands over $3,000,000 per Instagram post

Types of influencers by size of followership

- Celebrity influencers (tens of millions of followers)

- Mega influencers (few million followers)

- Macro influencers (few hundred thousand followers)

- Micro influencers (tens of thousands followers)

- Nano influencers (few thousand followers)

Group activity

- Moisturizing lotion for sensitive skins

- Target audience: Any gender, 20 to 30 years old

- 1M USD Ad budget

- Goals: exposure and sales

Metrics for Social Media

- If you were the CMO of DD's labs, what dissemination strategy would you choose?

Group activity

- 4 groups (profiles/strategies):
  1. Celebrities
  2. Mega/Macro influencers
  3. Micro/Nano influencers
  4. CMO team

- For the assigned profile:
  - Groups 1-3: Find convincing arguments for why the CMO team should go for it
  - CMO team: Find convincing arguments to challenge each profile
  - To motivate your reasoning, think about budget, reach, conversions, targeting, type of content, etc., associated to that profile

Top celebrity price per post on Instagram

Instagram Top Earners

Estimated Average Price Per Post

Celebrity	Price
Cristiano Ronaldo	$3,234,000
Leo Messi	$2,597,000
Selena Gomez	$2,558,000
Kylie Jenner	$2,386,000
Dwayne Johnson	$2,326,000
Ariana Grande	$2,264,000
Kim Kardashian	$2,176,000
Beyonce Knowles	$1,889,000
Khloe Kardashian	$1,866,000
Justin Bieber	$1,763,000

Source: https://influencermarketinghub.com/instagram-highest-paid/

Influencer MarketingHub

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Problems with Celebrities as Influencers

Even of you can pay for celebrity influencers, it may not be a good idea to use them

1. Expensive

2. Lack authenticity

3. The targeting is usually too broad

4. They may have been previously associated with false and unverified posts

Influencer Marketing

Celebrities	Mega/Macro influencers	Micro/Nano influencers
--Tens of millions of followers	--Few million to few hundred thousand followers	--Few hundred thousand to few thousand followers
--Expensive	--Good balance between cost, exposure, authenticity	--Cheaper
--Lack authenticity		--Engagement and authenticity
--May be good for exposure if you have a very large budget	--Good for wide exposure and selling	--Good for reaching target audience and if aim is to sell

Where to get influencers

- For celebrities and mega influencers Work with <u>agencies</u> that have relationships with them

- For macro/micro/nano influencers: On <u>influencer marketplaces</u> where influencers and brands can find each other directly (e.g., Influential, Brandheroes, #paid, spreadit …)

- In 2021, Instagram started a program in which brands sign up with Instagram directly to open themselves to being featured by influencers
  - Influencers on Instagram can choose which brands to feature and can earn a commission on the sales that they generate, tracked by Instagram
  - This will make influencer marketing accessible to small brands

Creators and "creator economy"

- Many influencers are "creators" because they create content for the brands they work with

- Cheaper than agency-created content

- Develop portfolio of content by engaging many creators

- Brands have to make several decisions
  - How much of brand message will be in the content?
  - Who will own content? Can it be reused by the brand for other purposes?
  - Will creators be paid commissions on sales?

- Brands must keep control on what content will be shared

How influencers get paid

- Typically, influencers get <u>paid per post</u>, especially if the post is for engagement or giving information to consumers

- If the content is sales oriented, influencers are typically paid a fixed amount and a <u>commission</u>

- Influencers with long-term relationships with brands are paid <u>retainers</u> and exclusivity fees in addition to the above

- Rookie influencers are sometimes paid only <u>in kind</u>, e.g., a video game influencer will be given access to the video game and credits to make in-game purchases of advanced powers

- There is <u>large heterogeneity</u> and influencers make from very little to tens of millions of dollars per year

Risks Regarding Influencers

Anything that a brand's influencer does wrong can come back to hurt the brand
- Influencers must always <u>declare</u> that they are making paid posts, otherwise regulatory action can be taken against them and the brands

Kim Kardashian's $1.26 million SEC fine is pocket change for the star

The influencer was charged with failing to disclose that she was paid to promote a crypto offered by EthereumMax. But the penalty will barely sting.

- May end up making content that does not resonate with the brand's values

- May plagiarize content

- May take questionable actions in their real lives and this can come back to hurt the brand

- May simultaneously endorse competitors, which can be hurtful for all such competitors

Email Marketing

Why Email?

Email marketing refers to sending commercial messages to consumers through email.

99% of marketers use email.

Email spend increased at approximately 12.5% compounded per annum in the last few years.

Email use is expected to continue to increase because email typically uses first-party data, which is in compliance with privacy concerns and regulations.

Most popular online activities of adult internet users in the United States as of November 2021

Activity	Share
Text messaging or instant messaging	93.3%
Using e-mail	91.8%
Using online social networks	74.6%
Using online financial services (banking, investing, paying bills etc.)	74.3%
Shopping, making travel reservations, or using other consumer services online	74.1%
Watching videos online	70.1%
Participating in online video calls or conferences	65.6%
Streaming or downloading music, radio, podcasts etc.	60%
Requesting services provided by other people via the internet	43%
Working remotely via internet	27.7%
Interacting with household equipment via internet	22.3%
Searching for a job online	21.3%
Publishing or uploading blog posts, videos, or other original content	17%
Selling goods via the internet	10.5%
Offering services for sales via the internet	8.8%

Share of internet users

59

Mobile audience reach of leading smartphone apps in the United States as of February 2021
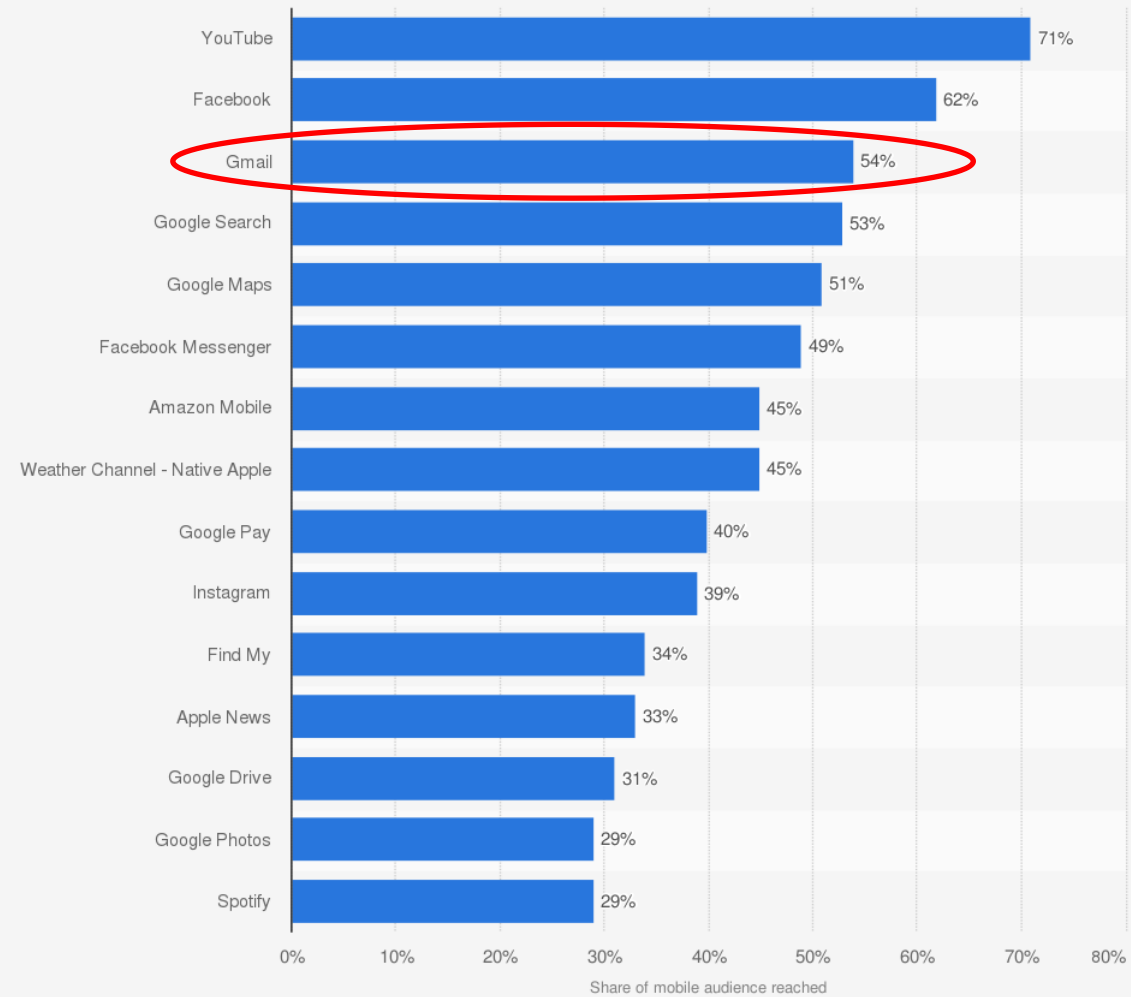
App	Share of mobile audience reached
YouTube	71%
Facebook	62%
Gmail	54%
Google Search	53%
Google Maps	51%
Facebook Messenger	49%
Amazon Mobile	45%
Weather Channel - Native Apple	45%
Google Pay	40%
Instagram	39%
Find My	34%
Apple News	33%
Google Drive	31%
Google Photos	29%
Spotify	29%

Share of mobile audience reached

60

Why Email?

- Consumers are heavy users of email

- With smartphones, email use has become even more widespread

- Very cheap (~$0.2 for 1,000 emails)

- No intermediary between sender and receiver – very high level of control
  - Can be very personalized, targeted and customized
  - Possible to experiment easily and dynamically optimize
    - Easy to track outcomes (opened, clicked, …)
    - Has become even more important with cookie deprecation and increasing importance of first-party data

No intermediary

Marketer 1
optimal action

. . .

Marketer N
optimal action

Marketer optimal action

Search engine takes
its own optimal action

Customer is exposed to
corrupted intervention
of each marketer

Customer is exposed to
"pure" intervention
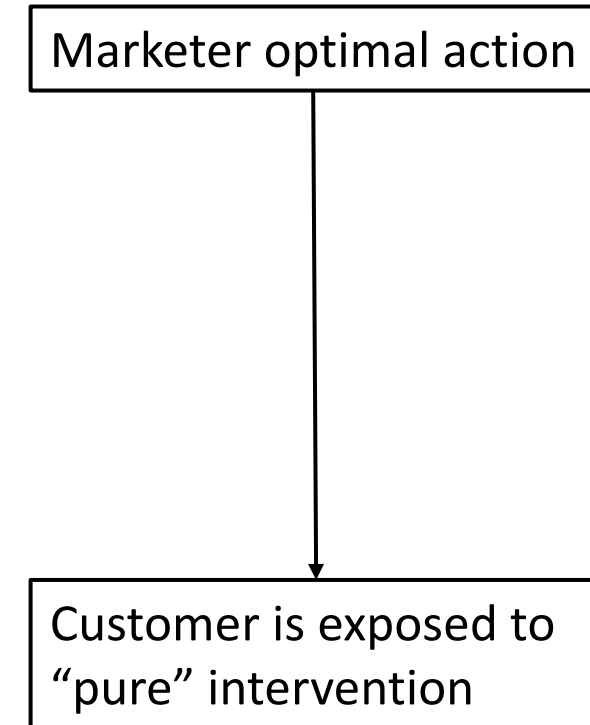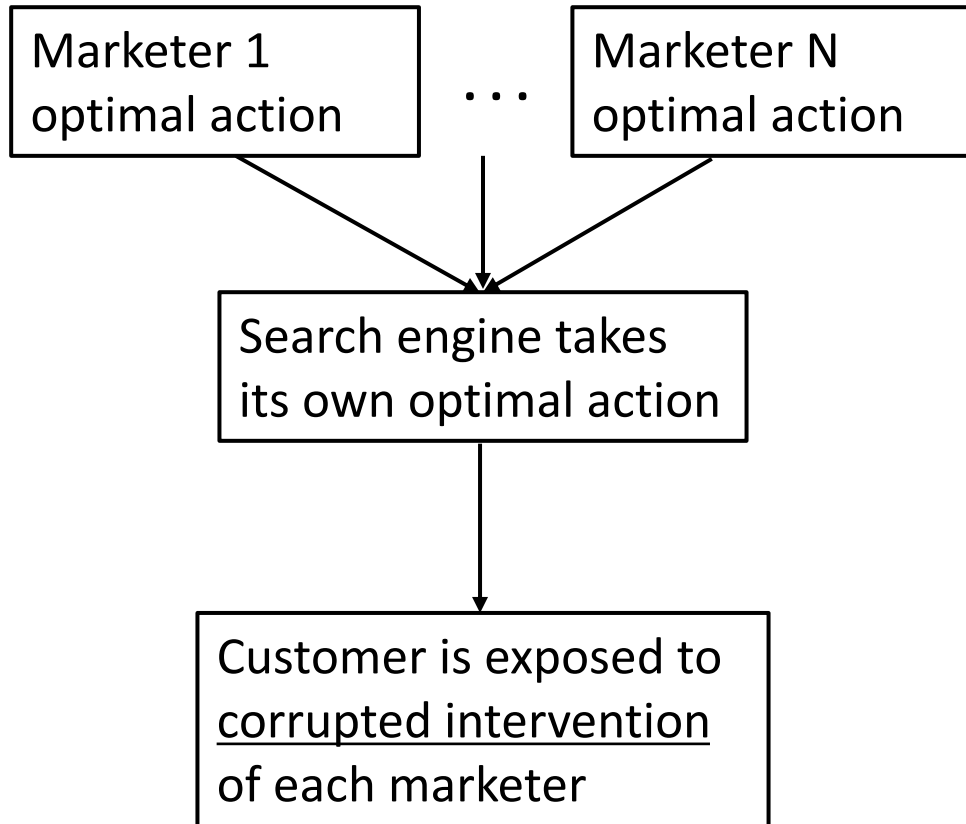
Direct access to consumers implies that they are exposed to the "pure" form of the intervention intended by the marketer

Enables easy manipulation and, therefore, easier personalization, targeting and experimentation

When to use email?

AWARENESS

↓

INTEREST

↓

DESIRE

↓

ACTION

REPEAT
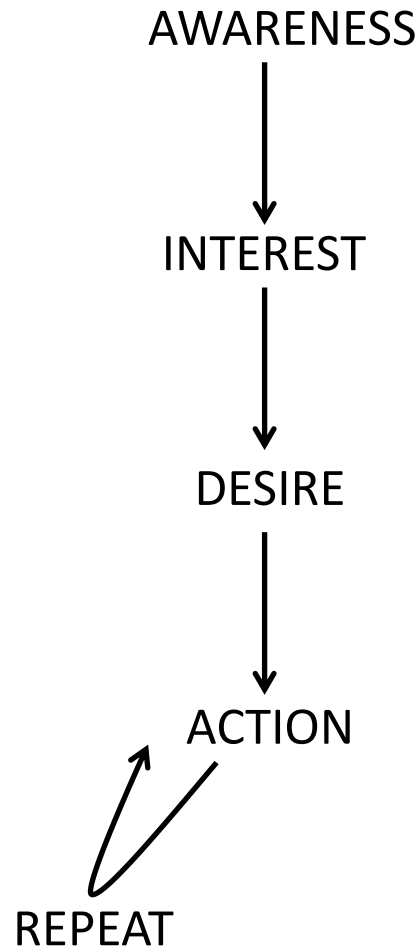
Email is a very versatile medium that can be used all through the marketing funnel
- Up-funnel: Information about products, awareness of new launches

- Down-funnel: Promotions, reminders to close a sale, upsell and cross-sell

- Ongoing: Customer service, product updates, product replenishment reminders, upsell and cross-sell

COSTCO WHOLESALE | Services

Product awareness and information email from Costco

Payment Processing: Switching is Simple

Thinking of switching processors? It's easy to make the change to Elavon. Plus, Costco Executive members could save an average of $852 per year.[8]

Sign Up ›
Or, call 1-866-930-4051

DeltaCare® USA Dental Plans

Get affordable dental plans for you and your family.[9]

Learn More ›

Get More From Your Mortgage

Let The Mortgage Program for Costco Members help take the stress out of your loan search. Compare mortgage rates, and choose the right loan for your budget.[10]

Learn More ›
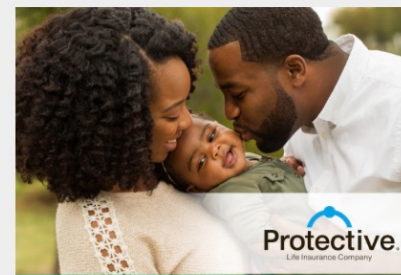
Protect the Ones You Love

Help protect your loved ones with term life insurance from Protective Life.[11]

Get a Free Quote Now ›
Or, call 1-844-745-5433

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Promotional email from Costco

Email Execution

Execution steps for email

1. Who to send to
2. What to send (content)
3. When to send
4. Measuring outcomes and refining the plan

Who to send to

- You can buy, rent or create your email list

- Both buying and renting have a major problem, which is that these emails will essentially be unsolicited by consumers and they will likely treat them as spam, which can severely hurt your brand

- While it takes significantly more effort, it can certainly pay off to **create your own email list**

Who to send to

- Email works best as a communication channel with consumers that have ongoing relationship with company or want to have a relationship

- Works better when consumers "opt in"; in fact, it usually has a negative impact when unsolicited

  - **Opt-in**: You ask consumers on your website or app to consent to you sending emails to them and they share their email address with you

  - **Double opt-in** (esp. useful in sensitive categories, e.g., health and finance):
    - You ask consumers on your website or app to consent to you sending emails to them and they share their email address with you
    - Then you send them an email with a confirmation link
    - Then they click on the confirmation link

What to send (Content)

- Types of email
  - Transactional
  - Relational
  - Promotional

- Design elements (header, body, …)

Transactional

- Sent at the time of account creation, order confirmation, receipt, review request, etc.

- Very high open rate, up to 90%

- There is an opportunity to connect with the customer and convey some useful or interesting information every time, such as about new products or promotions

Relational

- Primary purpose of relational emails is to keep customers engaged during periods of otherwise low activity

- These can be newsletters, company updates, webinar invitations, and simple surveys (usually with some small incentive offered)

Promotional

- Promotional emails typically include general and personalized deals, new product launch info, etc.

- The aim of these emails is to make the receiver visit website or app and purchase something

- They can also keep customers engaged even if they do not visit immediately or redeem offer

Designing an email

- Components of an email
  - Header: From and Subject
  - Preview: A snippet you see before you open an email
  - Body: Multiple components and layout

- A lot of email reading happens on mobile devices, and you should make sure that your emails are compatible on mobile devices for all of these elements that we discuss

From and subject

- Who an email is from and what is in the **subject** line are <u>the most important</u> determinants for whether the email is even opened or not

- Your brand name should appear in the "From" field

- The subject line should be clear, relevant and credible, and possibly personalized

- About 5-7 words for the subject line maximize open rates

- Test different subject lines on 10% to 20% of your target audience, and roll out optimally to the remaining 90% to 80% of the audience

Preview

Designing for the Preview Pane is important

- Up to 78% reading in the preview pane. Up to 84% of people aged 18-34 use preview pane.*
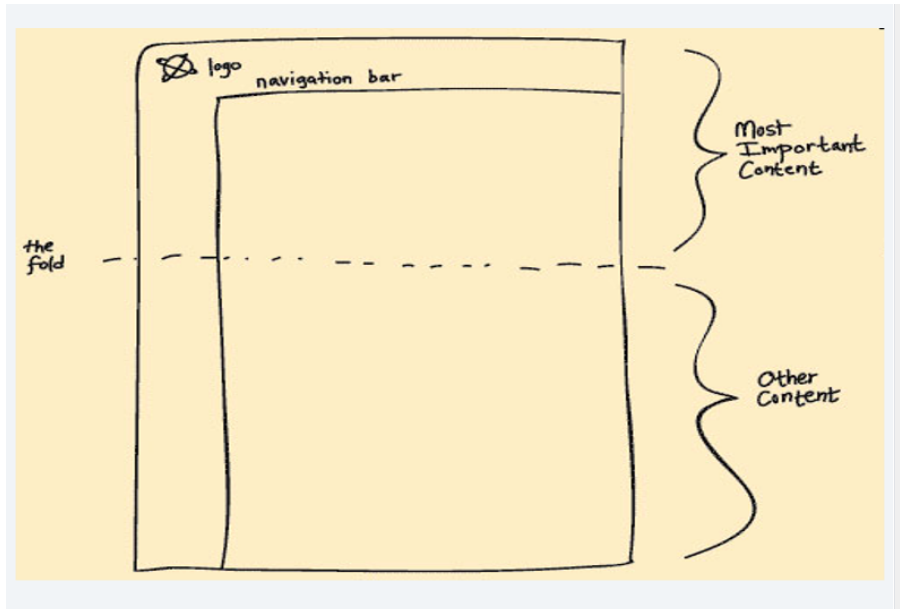
- Will this count in the stats (ESP)?

- How much of the message will show?

- Is there a link to an online alternative?
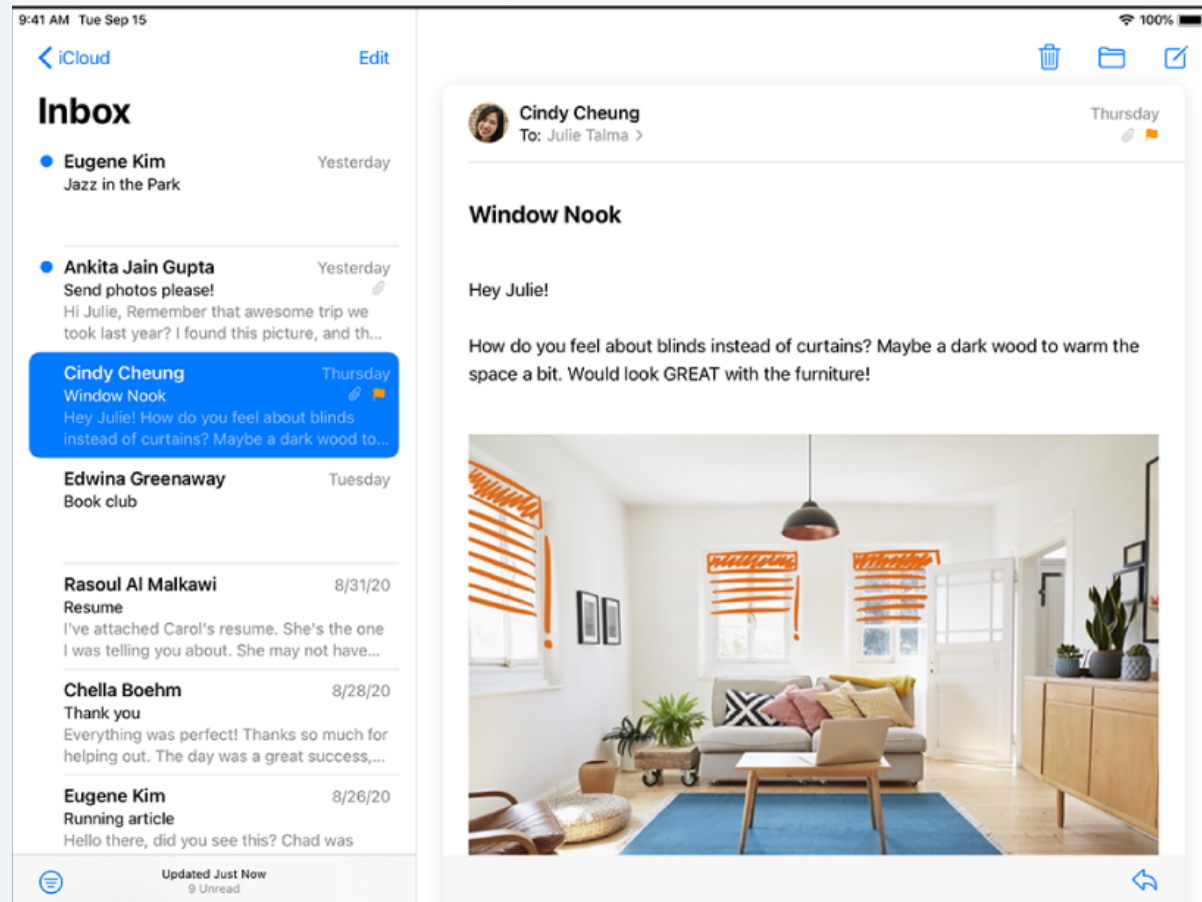
The body

- The most important content should be above the fold (both desktop and mobile)
  - Note that the fold can be different for desktop and mobile devices

- After opening, the first two sentences (15-20 words) of an email are the most important for engagement

- Highlight keywords

- Use bulleted and numbered lists

Columbia Business School

UNSUBSCRIBE OPTIONS
Provide a "Manage Subscriptions" link

Remind them why they are receiving this email (when they signed up)

Image blocking

- Image blocking is a standard practice by email clients, so you must always:
  - Provide tags and text descriptions for images
  - Provide a "view this email in browser" link in the email where images are not blocked
  - Provide a text-only version of the email

When and How Much to Send

- Optimize frequency and cadence
  - Sending too much email will lead to consumers to get confused and also lead to unsubscribing
  - Follow a cadence (e.g., twice a week)
  - Ask consumers how much email they would like
  - Remind them in the email why they are getting it

- Drip marketing: Sending pre-planned and pre-written messages in an automated manner based on cadence and/or triggered by customer actions
  - Email Service Providers (MailChimp, Constant Contact, etc.) provide tools for drip marketing

Email metrics

- Delivered emails

- Bounced email addresses with reasons

- Open rates, and Info on who opened an email
  - Open rates for transactional emails are usually around 90%
  - Open rates for relational and promotional emails are usually around 10% (from opt-in audience)

- Response rates (such as clicking on a link in the email), the links generating greatest interest, etc.

- Number of email forwards

- Number of opt-in and opt-out requests

Recent/upcoming developments in email

- Two recent developments in email
  - Ads in email, which make email a revenue generating mechanism
    - Because of good data, ads can be well targeted

  - The trend towards the replacement of some of email's uses with text messaging

Ads in email

BUILT TO LAST. AND LAST. AND LAST.

RFID-blocking.
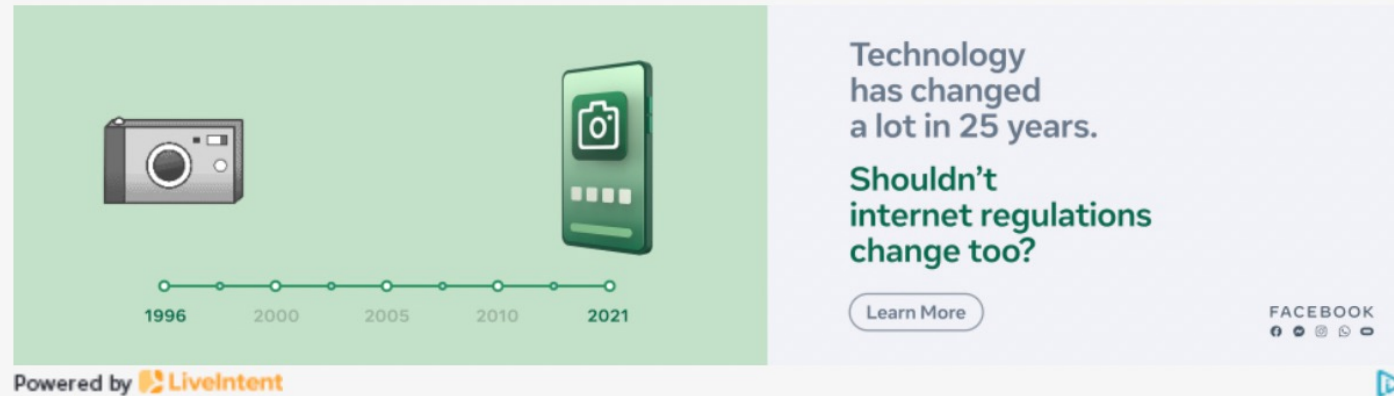Lifetime Warranty.
Free S&H.

SHOP WALLETS

Powered by LiveIntent

CNN **FAREED's Global Briefing**

Insights, analysis and must reads from CNN's Fareed Zakaria and the Global Public Square team, compiled by Global Briefing editor Chris Good

Seeing this newsletter as a forward? Subscribe here.

Ads in email

Email replaced by texting

- Over time many things currently done over email will be replaced by text messaging
  - More natural conversation tool
  - More interactive

- Already, many firms have started using texts for things like account confirmation, sign in verification and promotional offers

- "Omnichannel communication" and "Conversational AI"

Summary

- **Email:** Most widely-used marketing channel, direct relationship with customers throughout funnel, works in opt-in, easy experimentation and optimization